

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The revisions, including a revised CalARP fee methodology, and the changes in penalties for non-payment, late submittals, and operating without a permit, to be authorized under the proposed ordinance will accomplish the following:

1. Allocate fees based on program cost, staffing requirements, the time and activity needs to properly administer each program and each fee group, and the number of facilities falling under each fee group.
2. Promote full cost recovery for the Hazardous Waste Generator and Hazardous Materials Handler Programs, which includes investigation, site mitigation, and emergency operations services.
3. Enhance fee collection efforts and promote compliance by revising the penalties for non-payment, operating without a permit, and failure to submit required information.

A key element in full cost recovery requires businesses to file a permit application and pay the necessary fees prior to commencing operations. This will ensure all regulated businesses pay their fair share of the program implementation costs and ensure new businesses come into compliance with program requirements.

The CalARP fee methodology revision will standardize fee methodologies across all programs, reduce the staff time to determine annual permit fees, and promote automation of the billing process. Revising the fee method will reduce costs and promote more efficient billing practices.

Enhanced fee collection efforts are being employed to ensure all businesses subject to program requirements are paying appropriate fees and not placing an unfair burden on those businesses that are in compliance. Changes in the penalty amounts for operating without a permit and non-payment will provide the tools necessary to encourage and promote compliance.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

Fiscal Responsibility: Adoption of the proposed ordinance will facilitate full cost recovery for all hazardous materials/waste programs administered by the District, allocate costs

in a fair and equitable manner to the regulated community, and promote compliance from every business subject to program requirements. The ordinance will reduce costs by standardizing fee methodologies for all programs and facilitate the billing process for the single fee system mandated by the Unified Program.

FISCAL IMPACT/FINANCING:

The proposed revisions will facilitate full recovery of the reasonable and necessary costs to implement the programs. The ability of the District to collect fees from all businesses falling under hazardous waste and hazardous materials program requirements will be enhanced by requiring businesses to first apply for and pay permit fees before starting operations. Operating without a permit penalty provisions and late submittal penalties will further enhance the ability of the District to collect permit fees from all regulated businesses and encourage compliance.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The fee revisions will be effective in all areas under the jurisdiction of the Los Angeles County Certified Unified Program Agency (CUPA) for Fiscal Year 2005-06. Invoices for these facilities will be generated and mailed throughout the fiscal year. The Cities of Los Angeles and Santa Monica will generate annual fee invoices in July 2005 for Fiscal Year 2005-06 for the Hazardous Waste Generator Program and are awaiting any changes in our fee schedule.

California Health and Safety Code Sections 25404.5(a)(2) and (3) grant authorization to the governing body of the local CUPA to establish fees to recover reasonable and necessary program costs.

The Auditor-Controller has reviewed and approved the cost basis and fee adjustments.

This request for approval of the revised fees is made after compliance with all public notification and hearing requirements as specified in Sections 6062(a) and 66018 of the Government Code.

ENVIRONMENTAL DOCUMENTATION:

The annual adjustments are exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the CEQA Guidelines, because they involve fees to recover operating costs.

The Honorable Board of Supervisors
June 28, 2005
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IMPACT ON CURRENT SERVICE (OR PROJECTS):

The approval of the ordinance will serve to establish the reasonable and necessary fees for Fiscal Year 2005-06, facilitate the billing process mandated by the Unified Program, and promote full recovery of program implementation costs. The ordinance changes fairly allocate program costs to regulated facilities, strengthen permit fee collection efforts, reduce billing-related costs, and encourage compliance from all regulated businesses.

CONCLUSION:

Please return the adopted stamped copy of the letter and attachments to Bill Jones, Chief, Health Hazardous Materials Division, 5825 Rickenbacker Road, Commerce, CA 90040.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. Michael Freeman", with a stylized flourish at the end.

P. MICHAEL FREEMAN

PMF:ml

Attachments

c: David E. Janssen, Chief Administrative Officer
Violet Varona-Lukens, Executive Officer
Vicky Santana, Deputy
Randi Tahara, Deputy
Joseph Charney, Deputy
Rick Velasquez, Deputy
Sussy Nemer, Deputy
Auditor-Controller
County Counsel

FEE CHANGES FOR FY 05-06

| Hazardous Waste Generator Annual Fees | | | | |
|---|------------------------------|-------------|--------------|--------|
| Fee Category | Description | Current Fee | Proposed Fee | Change |
| 1000 | Silver Waste | \$220 | \$241 | \$21 |
| 1001 / 1101 | 0-5 Employees | \$439 | \$483 | \$44 |
| 1002 / 1102 | 6-19 Employees | \$611 | \$678 | \$67 |
| 1003 / 1103 | 20-100 Employees | \$866 | \$927 | \$61 |
| 1004 / 1104 | 101-500 Employees | \$1,268 | \$1,348 | \$80 |
| 1005 / 1105 | >500 Employees | \$2,124 | \$2,307 | \$183 |
| Tiered Permit Annual Fees | | | | |
| Fee Category | Description | Current Fee | Proposed Fee | Change |
| CE | Conditionally Exempt | \$109 | \$116 | \$7 |
| CA | Conditionally Authorized | \$747 | \$811 | \$64 |
| PBR | Permit by Rule | \$1,011 | \$1,155 | \$144 |
| Hazardous Material Handler Annual Fees | | | | |
| Fee Category | Description | Current Fee | Proposed Fee | Change |
| 3000 | Small Quantity Handler | \$159 | \$180 | \$21 |
| 3001 | Minor Handler | \$234 | \$261 | \$27 |
| 3002 | Moderate Handler | \$304 | \$336 | \$32 |
| 3003 | Major Handler | \$426 | \$467 | \$41 |
| 3004 | Major Handler – Large Volume | \$587 | \$671 | \$84 |
| 3005 | Major Handler – Complex | \$950 | \$1,057 | \$107 |
| Hourly Cost Recovery Charges and Miscellaneous Fees | | | | |
| Emergency Response Initial Fee | | \$372 | \$404 | \$32 |
| Emergency Response Hourly Fee | | \$93.02 | \$101.07 | \$8.05 |
| Site Mitigation Initial Fee | | \$1,582 | \$1,717 | \$135 |
| Site Mitigation Hourly Fee | | \$105.47 | \$114.45 | \$8.98 |
| Re-inspection Fee | | \$215 | \$285 | \$70 |
| Late Submittal Fee | | \$230 | \$285 | \$55 |

CAL ARP FEES

| Fee Group | Risk Unit Range | Facility Count | FY 04-05 Average Fee | FY 04-05 Annual Fee Range | FY 04-05 Average Fee plus estimated RMP review charges | Proposed Fee* |
|-----------|-----------------|----------------|----------------------|---------------------------|--|-----------------|
| 3501 | 0-<5 | 119 | \$412 | \$322-\$531 | \$623 | \$339 |
| 3502 | 5-<15 | 92 | \$730 | \$536-\$938 | \$1,153 | \$595 |
| 3503 | 15-<50 | 131 | \$1,255 | \$938-\$1,872 | \$1,889 | \$1,070 |
| 3504 | 50-<100 | 19 | \$2,359 | \$1,876-\$3,190 | \$3,205 | \$2,046 |
| 3505 | 100-<250 | 20 | \$4,047 | \$3,251-\$5,171 | \$5,104 | \$3,459 |
| 3506 | 250-<500 | 7 | \$6,762 | \$5,395-\$8,417 | \$8,031 | \$5,579 |
| 3507 | 500-<1,000 | 5 | \$12,749 | \$9,235-\$14,218 | \$14,335 | \$10,100 |
| 3508 | 1,000-<3,000 | 6 | \$18,578 | \$15,507-\$22,625 | \$20,693 | \$15,427 |
| 3509 | 3,000-<10,000 | 4 | \$26,806 | \$26,806 | \$29,450 | \$20,587 |
| 3510 | >=10,000 | 1 | \$26806 | \$26,806 | \$29,978 | \$25,734 |

*Proposed category fees based on the FY 03-04 average fee and elimination of hourly RMP review fees.
CalARP annual fees have not changed in over two years.

NOTICE OF PUBLIC HEARING PROPOSED FEE SCHEDULE

Notice is hereby given that a public hearing will be held by the Board of Supervisors of the County of Los Angeles regarding annual fees and late penalties to be paid by businesses generating hazardous waste or handling hazardous materials in Los Angeles County, revisions in the fee methodology for the California Accidental Release Prevention Program, the initial fees and hourly rates to be paid for hazardous material emergency response and site mitigation oversight cost recovery programs, and permit application requirements.

Said hearing will be held on Tuesday, June 28, 2005 at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381B, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider the ordinance revising fees, late payment penalties, and permit application requirements for adoption. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Written comments may be sent to the Executive Office of the Board of Supervisors at the above address. If you do not understand this notice or need more information, please call (323) 890-4045.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (323) 890-4045.

VIOLET VARONA-LUKENS
EXECUTIVE OFFICER – CLERK OF
THE BOARD OF SUPERVISORS

